

do more with less. But I do, and I think there's a lot of evidence of that.

So, Senator Moynihan is right, it's going to be tough to pass. I don't think that the numbers are wrong. And let me also say something nobody else has noticed. There are 85 Members of the House of Representatives who want the Government to basically eliminate the private health insurance companies, get out of it altogether, have a huge tax increase to pay for health care but eliminate the premiums. They propose bigger cuts in Medicare and Medicaid than I do. So I just think that the numbers are entirely defensible, and I think we'll be able to persuade the Congress.

*Entertainment at Signing Ceremony*

*Q.* I forgot to ask you about—why Soul Asylum?

*The President.* They were supportive in the campaign, and they made that wonderful song about runaway children, which had a big impact

on young people throughout the country. We just thought they'd be a good group to be here.

*Q.* Does Chelsea like them?

*The President.* Yes. I do, too. I heard them play last night, you know. So I sort of got caught up on my music last night, listening to them practice.

*Q.* Have people that looked like that ever walked into your Oval Office before?

*The President.* Oh, sure. [*Laughter*] This is everybody's Oval Office. I'm just a tenant here.

*Q.* I see.

*The President.* Thanks.

*Q.* Most people here tend to bathe, however. [*Laughter*] Thanks.

*The President.* Thanks. Bye.

NOTE: The interview began at 12:02 p.m. in the Colonnade at the White House. The band Soul Asylum played at the beginning of the signing ceremony for the National and Community Service Trust Act of 1993. A tape was not available for verification of the content of this interview.

Interview With Radio Talk Show Hosts  
September 21, 1993

*The President.* Thank you very much, and welcome to the Executive Office Building and to the White House, and thank you for coming today. I—what did you say, nice tie? [*Laughter*] That's a Save the Children tie.

*Audience member.* All right!

*The President.* I wore it for the national service signing today.

It's interesting, we just had a lunch with a number of columnists—

*Audience members.* Lunch? Lunch? [*Laughter*]

*The President.* Lunch? I'm sorry. I'm sorry. Would it make you feel better if I said I didn't enjoy it? I mean—[*laughter*]—anyway, and they knew you were all here, and we had 700 or 800 people out on the lawn for the national service signing. And four or five of these folks that have been covering Washington for 20 years said they had never seen the White House so busy. I didn't know if they were happy or sad about it, but anyway, it's busy.

I thank you for coming today. I hope this will be the first of a number of opportunities

we have to provide people who have radio talk shows and who communicate with millions of Americans on an intimate basis, daily, to come to the White House to have these kinds of briefings. You've already heard all the basic approaches that the administration is going to take on health care and that will be hopefully crystallized in a compelling way in my address to the Congress and to the country tomorrow evening.

So, I thought what I would do is make a general statement about how this fits into the overall approach the administration is taking and then answer your questions. I'd rather spend time just answering your questions.

But let me just make a general comment, that I think you can—that runs through the thread of debate that we had on the economic program, on the health care issue, on NAFTA, on the crime bill that's coming up, on the welfare reform issue, on all the major things we're trying to come to grips with.

It is now commonplace to say that we are living through a time of profound change, not

only in our country but around the world. People are trying to come to grips with a rate and nature of change that comes along less frequently than once a generation.

You may know that just since you've been sitting here, Boris Yeltsin has dissolved the Russian Parliament and called elections for that Parliament in December, and his major opponent has apparently declared himself President. I mean, they are going through these things, trying to come to grips with what it means to be a democracy and what it means to try to change the economy.

In our country, if we're going to continue to be the leading power of the world, not just militarily but economically, socially, the shining light of the world, this has to be a good place for most Americans to live. Most people have to know that if they work hard and play by the rules that they can make the changes that are sweeping through this country and the world their friends and not their enemies. They have to believe that as citizens they can work together and trust the major institutions of our society to function well, to meet these changes, to respond to them.

We confront this bewildering array of challenges: the size of the deficit, the fact that we have an investment deficit, too, in many critical areas, the health care crisis, at a time when most people are quite insecure in their own lives and most Americans have worked harder for stagnant or lower wages for the last 10 to 20 years, when they're paying more for the basics in life, when they have lost faith in the fundamental capacity of political institutions to represent them and to solve problems.

I think you can see that in the 700,000 letters we got on health care. The number of people who would say, you know, "What's wrong with me? I worked hard all my life, and I lost my health insurance," or "My child got sick, and now I can never change my job," or "My wife and I spend 60 hours a week running our business. And our health insurance was \$200 a month 4 years ago, and it's over \$900 a month today," you know that things are out of control. I say that because I believe providing security in the health care area and in meeting the other objectives we talked about, quality and choice and cost controls and all, is a necessary precondition, not only to improve the health care of the American people but to help root the American people again in this moment, to make

them freer to face the other challenges that we face. I see in this debate over NAFTA—which I have wrestled with in my own mind, that is, the whole nature of our trade relations with Mexico and other countries and where we are going for far longer than I've been President, I had to deal with it when I was a Governor. I see people, some of them looking ahead with confidence in the future that we can triumph in the world of the 21st century, that we can compete and win, that we can create tomorrow's jobs, and others so uncertain about it, just trying to hold on to today and to yesterday's jobs.

So, what I am trying to do is to give the American people a greater sense of security over those things that are basic to their lives that they can control and at the same time challenge our people to assume responsibility for dealing with our problems and for marching confidently into the future. That's what this national service issue is all about that we celebrated today on the White House lawn.

And therefore, the health care issue is about more than health care. It is about restoring self-confidence to America's families and businesses. It's about restoring some discipline to our budget and investment decisions, not only in the Government but in the private sector. It's about giving us the sense that we actually can move forward and win in the face of all these changes. I cannot under—or I guess I cannot overstate how important I think it is, not only on its own terms but also for what it might mean for America over the long run.

Yes.

#### *Health Care Reform*

*Q.* Does anybody really know whether this will work, from the administration? Have you parsed the numbers that fine, that you can say if this is passed in toto, it will indeed do what you say, cut costs, maintain quality of care, cover everybody?

*The President.* We know it will do that, but that's not exactly what you asked. That is, we know that if this plan is adopted, it will provide universal coverage, that it will achieve substantial savings in many areas where there is massive waste.

Dr. Koop, who was, you know, President Reagan's Surgeon General, who was with us yesterday, and the doctors that we had, said that in his judgment, there was at least \$200 billion

of waste, unnecessary procedures, administrative waste, fraudulent churning of the system, at least, in our system. So, we know that those things will achieve those objectives? We do. Do we know that every last dollar is accurate, or that there will be no unintended consequences, or that the timetable is precisely right? No we don't know that because nobody can know that exactly.

But I would like to make two points. Number one, our administration has gone further to get good health care numbers than anyone ever has before. Until I became President I didn't know this, but the various Agencies in the Federal Government responsible for various parts of health care financing and regulation had never had their experts sit down in the same room together and agree on the same set of numbers and the same methodologies for achieving them. So that's the first thing we did. No wonder we had so much fight over what something was going to cost and the deficit was going crazy. The Government had never gotten its own act together.

Then the second thing we did was to go out and solicit outside actuaries from private sector firms who made a living evaluating the cost of health care and asked them to review our numbers. Now, that is very important that you understand that, because there is going to be—there should be a debate over whether the course I have recommended is the best course to achieve the goals we all want to achieve, whether there is a better course, whether we can achieve the Medicare and Medicaid cuts that we say we can achieve without hurting the quality of care. That's fine. But I want you to understand that we really have killed ourselves at least to get the arithmetic right, to give people an honest starting point, a common ground to start from, so that we can have the arguments over policy.

Yes, sir.

*Q.* Do you feel that your plan places undue hardship on business with the employer mandate versus an individual plan that has been proposed with other proposals?

*The President.* No, and I'll say why. First of all, let's just look at the employer mandate. Most employers cover their employees. I like your question in the sense that the question assumes that we should have universal coverage, and that's a good assumption. If you don't have universal coverage, you can never really slow the

rate of waste in cost, because you'll always have a lot of cost shifting in the system. That is, people who aren't covered will still get health care, but they'll get it when it's too late, too expensive, somebody else will pay the bill, and it will have real inefficiencies and distortions, as it does today.

If you want to cover everybody, there are essentially three ways to do it. You can do it the way Canada does. You can abolish all private health insurance premiums, raise taxes to replace the health insurance premiums, and have a single-payer system, just have the Government do it. That's the most administratively efficient. That is, the Canadian system has very low administrative costs, even lower than Germany and Japan. The problem is, it's not very good for controlling costs in other ways, because the Government makes all the cost decisions. The citizens know they've already paid for this through government. So they make real demands on the system. Whereas if you have a mixed system where employers and employees are actually in there knowing what they're spending on health care and lobbying for better management and to control costs, like in Germany, you don't have costs go up as fast. So the Canadian system, even though it's administratively the cheapest, is the second most expensive in the world. We're spending 14 percent of our income; they're spending 10 percent of theirs. Everybody else is under 9.

Now, the second system is the individual mandate. It's never been tried anywhere. The problem with the individual mandate is that it could—and again, I want a debate on this. I think the Republicans are entitled to their day in court on this, and I want them to have it. Really, I do. I mean, I want an honest, open discussion on this. I am so impressed with the spirit that is pervading this health insurance—we had 400 Members of Congress show up for 2 days at our health care university just trying to get everybody to have enough information to be singing out of the same hymnal when we talk to one another.

The dangers of the individual mandates are that it could cause the present system we have for most Americans, which is working well for most Americans, to disintegrate. That is, you have to have some subsidies with an individual mandate. So will companies that now cover their employees basically start covering their upper income employees or not their lower income

employees? Will they dump all their employees and make them go under the individual mandate system? How are you going to keep up with all these individuals when you realize who you've got to subsidize or not? In other words, we believe it has significantly more administrative burdens, and it has the potential to cause the present system to come undone. But they deserve their day in court on it, and we'll debate it.

Let me just say this. Our system for small businesses, I'd like to make the following points: We propose to keep lower the premiums of small businesses with fewer than 50 employees, including all those that are just starting up. And they get more if their wages of their employees are low, and low-wage workers also get a subsidy to try to make sure nobody goes out of business. But the point I want to make is, most small businesses who do cover their employees, and that's the majority of them, are paying too much for their health insurance. They are being burdened by it. That's one reason 100,000 Americans a month permanently lose their health insurance, as well as at any given time in a year, as many as one in four may be without it.

So what we propose to do will actually help more small businesses than it will hurt. And over the long run, they'll all be better off, because if you put everybody under this system, then the rate of increase in health care costs will be much lower. And it's just not fair, at some point, for anybody who can pay something to get a free ride, because keep in mind, we all get health care in this country. But if we're not insured, we get it when it's too late, too expensive. Usually we show up at the emergency room, the most expensive of all, and then somebody else pays the bill. That's one of the things that's driving these costs out of sight.

Yes, sir.

Q. We've heard a lot about every group today, except for the doctors. And from the doctors that I'm hearing from, they're saying that this is going to hit them in their pockets. In my experience before in being in operating rooms and seeing doctors after the diagnostic related groups started setting some prices of procedures back in the eighties, a lot of doctors that went into business for themselves were either multi-using single-use items or resterilizing items that were made for single-use so that they wouldn't lose any of the money that was going to be coming to them, so they wouldn't take a per-

sonal hit out of it. How does your plan guarantee us an uncompromised medical plan?

*The President.* Well, for one thing, the quality standards that govern medical care today will still be in effect. That is, most of them are professional standards, and they're not enforced by the Government today.

Q. They're talking about doing more procedures to make up the money. They're saying, "Well, I'm going to have to see more patients and spend less time with them."

*The President.* Yes, but that's what's happening today. I mean, the truth is that as we've tried to control the costs of Medicare and Medicaid, particularly Medicare, by holding down costs, you see dramatically increased numbers of procedures. What we want to do is to remove the incentive for having large numbers of procedures by having big blocks of consumers pay for their annual health care needs in a block, so that you won't have so much fee-for-service.

I would also point out to you that one of the big problems we've had with doctor costs going up is that doctors are having to negotiate their way through the mine field of 1,500 separate health insurance companies writing thousands of different policies, having to keep up with it in ways that no doctors anywhere in the world but our doctors have to deal with.

We've already had the American Academy of Family Practice and a lot of other doctors groups have endorsed our plan. The AMA has been quite interestingly supportive in general terms. They say they want to see all the details. They believe there ought to be universal coverage. Dr. Koop has agreed to come in and sort of moderate this discussion. But we had a couple hundred doctors here yesterday, most of whom were extremely supportive. And let me just give you one big reason why. This is the flip side of the argument you made.

In 1980, the average doctor was taking home 75 percent of the money generated by a clinic. In 1990, the average doctor was taking home 52 cents on the dollar, 52 percent of the money generated by a clinic. Twenty-three cents on the dollar increase in the amount of money the doctor was having to spend on people, basically to do clerical work in the clinics.

The Children's Hospital at Washington told us last week that the 200 doctors on staff there spent enough time in non-health-care-related paperwork every year because of the administrative cost of this system—a dime on the dollar

more than any other system in the world—to see another 500 patients each a year, 10,000 more kids a year. So, a lot of doctors are going to feel very liberated by this because they are going to be freer to practice medicine, and the incentives to churn the system just to pay for all their paperwork will be less.

Yes, sir.

*Mr. Strauss.* Time for one more question.

*Q.* I guess I have the opportunity, I'll make it a two-part question because it's a rare opportunity, and I appreciate it. First of all, if you receive everything that you want, that you're hoping for, and we hear about the 37 million uninsured and the many underinsured people, I'm wondering if there's anybody that will be disappointed with the new system—

*The President.* Oh yeah.

*Q.* —if you get everything you want, and who those people might be? And secondly, I hear very little about medical fraud and medical malpractice problems, as if it isn't a major problem, and we are led to believe that it is.

*The President.* It is a big problem. Maybe I should answer that question first, because it's a quicker one. Then let me try to tell you how to sort through the winners and losers. Okay?

First of all, in this system if you put consumers of health care, employers and employees, particularly the small businesses, in large buying groups where they will have more market power and more oversight authority, you will inevitably—we are going to change the economic incentives as well as the private sector oversight to reduce fraud and abuse—we are definitely going to see big savings there.

Secondly, what was the other thing you asked me?

*Q.* The medical malpractice.

*The President.* Medical malpractice. Doctors—

*Q.* Doctors spending—[inaudible]—

*The President.* Well, doctors—

*Q.* [Inaudible]

*The President.* One of the things that we don't know is how much extra excess procedures and tests are done as defensive medicine or to churn the system, to go back to your other question. The economic incentives to churn the system will be dramatically reduced under these kind of payment plans.

It will be more like the way the Rochester, New York, system works, the way the Mayo Clinic system works. More and more people will

be in a system where they pay up front, and then they take what they need. And the doctors are going to get paid out of that.

But the malpractice issue is a problem. We will propose some significant reforms, including limiting the percentage of income lawyers can get in contingency fees in lawsuits. But I have to tell you, what I think the most significant—and alternative dispute resolution mechanisms—but I think the most important one will be permitting the professional associations to draw up medical practice guidelines which, when approved, will protect the doctors to some extent, because if they follow the guidelines in any given case, it will raise a presumption that they weren't negligent. And that will be a real protection against just doing an extra procedure because you're trying to hedge against a lawsuit.

The State of Maine pioneered this because they wanted more general practitioners in rural Maine to do more things for people like help deliver babies because they didn't have anybody else to do it. So, the idea of giving people practice guidelines I think is very good.

Now, you asked who's going to win and who's going to lose. Can we talk through that?

*Q.* Yes, sir.

*The President.* I'll tell you who will have to pay more. You know, there will be some people who will have to pay more. The news magazines this week did a pretty good job of analyzing this.

If we go to community rating, so that we can allow people, for example, who have had a sick child not to be bankrupt by their insurance costs and to move from job to job, and you put everybody in a broad community, it means young, single, super healthy people will pay more in the first year of this than they would have otherwise. Now, here's why I think that's a good deal for young, single, super healthy people. Number one, all young, single, super healthy people will get insured, and they aren't now. Number two, they'll all be middle-aged someday, too, and they'll win big. Number three, their cost will go up less every year. So even though they might pay more this year, within 5 to 8 years, if this plan goes through, everybody will be paying less than they would have. So, they would pay more.

Secondly, there are some businesses who don't insure at all. They'll have to pay something. There are others who insure but only for catastrophic. They will have to pay more,

but they'll get much better benefits, and their rates will go up less. So, there will be some people who will pay more now than they were paying. But I believe that if we can—keep in mind, if we can stop the cost of health care from going up at 2 and 3 times the rate of inflation, if we can get it down where the rate of increase is much lower, by the end of the decade everybody will be way better off than they were.

*Russia*

*Q.* Mr. President do you approve of—Boris Yeltsin's announcement that he's going to dissolve the Parliament, and does the United States support him in his power struggle with his opponents?

*The President.* Well, first of all, let me say I have had only a sketchy briefing about this, and I have not talked to President Yeltsin yet. I would like to reserve the right to issue a statement after I attempt to talk to President Yeltsin. In any case, I will issue a statement before the end of the day, but I think at least I should have a direct briefing.

Yes sir, one more. Go ahead.

*Health Care Reform*

*Q.* President Clinton, tomorrow you'll be speaking before a joint session of Congress and there are 535 people, individuals, in Congress that will have their own specific plans of what they want—

*The President.* Yes.

*Q.* If you could say that you could put your name on one or two or three specific parts of this that you want to say, "This is my health care plan," that you want to see no matter what 535 other people want to see, that you feel you want to be part of your Clinton health care program, what two or three items, specifically?

*The President.* Number one, every American would have security in their health care system. You would be able to get health insurance, there would be adequate benefits, and you wouldn't lose them. Number two, the system would impose a far higher level of responsibility for managing costs than it does now on all the players, including the consumers. Number three, people would keep their choice of physicians and medical providers. And number four, we would guarantee adequate access to preventive and primary care so we could stop some of the big things that are happening to us before they get going. And five, we would have market incentives to bring costs down. Those are the things that I want to be the hallmark of our program.

I wish I could stay all day. I'm sorry, but thank you very much.

NOTE: The President spoke at 3:06 p.m. in Room 450 of the Old Executive Office Building. Richard Strauss was the White House radio services coordinator.

**Statement on the Situation in Russia**  
*September 21, 1993*

From the beginning of my administration, I have given my full backing to the historic process of political and economic reform now underway in Russia. I remain convinced that democratic reforms and the transition to a market economy hold the best hope for a better future for the people of Russia.

The actions announced today by President Yeltsin in his address to the Russian people underscore the complexity of the reform process that he is leading. There is no question that President Yeltsin acted in response to a constitutional crisis that had reached a critical impasse and had paralyzed the political process.

As the democratically elected leader of Russia, President Yeltsin has chosen to allow the people of Russia themselves to resolve this impasse. I believe that the path to elections for a new legislature is ultimately consistent with the democratic and reform course that he has charted.

I called President Yeltsin this afternoon to seek assurances that the difficult choices that he faces will be made in a way that ensures peace, stability, and an open political process this autumn. He told me that it is of the utmost importance that the elections he has called be organized and held on a democratic and free